

## Message Text

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ACTION EB-07

INFO OCT-01 EUR-12 NEA-09 ISO-00 SAB-01 CIAE-00 DODE-00

PM-03 H-01 INR-07 L-02 NSAE-00 NSC-05 PA-01 PRS-01

SP-02 SS-15 USIA-06 AEC-05 AID-05 CEA-01 CIEP-01

COME-00 FEAE-00 FPC-01 INT-05 OMB-01 SAM-01 OES-03

STR-01 TRSE-00 FRB-03 /100 W  
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R 120811Z FEB 75

FM AMEMBASSY KUWAIT

TO SECSTATE WASHDC 2223

INFO AMEMBASSY ABU DHABI

AMEMBASSY BEIRUT

AMEMBASSY BUCHAREST

AMEMBASSY DOHA

AMEMBASSY JIDDA

AMEMBASSY LONDON

AMEMBASSY MANAMA

AMEMBASSY TEHRAN

USMISSION OECD PARIS

USMISSION EC BRUSSELS

USINT BAGHDAD

AMCONSUL DHAHRAN

LIMITED OFFICIAL USE KUWAIT 0705

E.O. 11652: N/A

TAGS: ENRG KU

SUBJECT: KUWAIT OIL SALES TO EXXON AND RUMANIA

REF: KUWAIT 460 (NOTAL)

1. GOK-EXXON CRUDE OIL DEAL DISCUSSED REFTTEL HAS BEEN CONCLUDED.  
UNDERSTAND AGREEMENT SIGNED FOR SALE OF 50,000 BARRELS PER DAY  
FOR SIX MONTHS. AMOUNT TO BE INCREASED TO 100,000 BARRELS  
PER DAY THEREAFTER. BELIEVE TERMS OF DEAL ARE SIMILAR TO THOSE  
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IN RECENT SHELL DEAL, AND THAT OVER THE FIRST YEAR PRICE WILL

BE \$10.365 PER BARREL. WE UNDERSTAND 60 DAY CREDIT TERMS HAVE BEEN EXTENDED TO EXXON BY GOK.

2. KUWAITIS HAVE BEGUN SHIPMENTS OF CRUDE TO RUMANIA. FIRST SHIPMENT OF 85,000 TONS LEFT KUWAIT FEBRUARY 10. PRESS REPORTS THAT KUWAIT AGREED TO SELL RUMANIA 1 MILLION TONS AT THE PREVAILING MARKET PRICE, PRESUMABLY \$10.365. CURRENTLY THE RUMANIAN PRESIDENT'S SPECIAL ADVISER ON ECONOMIC AFFAIRS IS HERE FOR TALKS ON ECONOMIC COOPERATION BETWEEN KUWAIT AND RUMANIA AND TO DISCUSS THE SUPPLY OF KUWAITI OIL TO RUMANIA. HIS VISIT CLOSELY FOLLOWS THAT OF MINISTER FINANCE ATEEQI TO RUMANIA LAST MONTH.

3. COMMENT: SALES TO RUMANIA AND EXXON ARE LATEST IMPORTANT DIRECT SALES BY GOK OF KUWAITI CRUDE TO COME TO OUR ATTENTION. WE NOTE THAT THE OIL AND FINANCIAL PRESS HAD COMMENTED ON KUWAITI CREDIT TERMS. IN GENERAL IT IS THOUGHT THAT 60 DAY CREDIT IS NEW, HOWEVER, EXXON REP WHO NEGOTIATED CRUDE PURCHASE HERE TOLD ME THAT EVER SINCE KUWAITIS HAVE BEEN SELLING CRUDE DIRECTLY THEY HAVE OFFERED 60 DAY CREDIT TERMS. THEREFORE IT DOES NOT APPEAR THAT GOK HAS MADE ANY RECENT CHANGES IN ITS PRICE OR CREDIT TERMS. NEVERTHELESS WE AGREE THAT 60 DAY CREDIT TERMS DO RESULT IN A DEFACTO DISCOUNT. WOULD BE INTERESTING TO SEE IF IN FUTURE KUWAITIS DO MODIFY THEIR CURRENT STANDARD \$10.365/60 DAY CREDIT PRICE PACKAGE.  
STOLTZFUS

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## Message Attributes

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